An Evaluation:

Children At Risk Program

Department of Public Instruction

March 2005

Report Highlights •

Program funding represents a small percentage of total funding for at-risk students.

Districts do not comply with requirements to allocate funds to specific at-risk programs.

> Indicators of at-risk student achievement have been mixed.

The Children At Risk program, which is administered by the Department of Public Instruction (DPI), is intended to reduce the number of students in grades 5 through 12 who are at risk of not graduating from high school. It was created in the 1985-87 Biennial Budget Act and, in response to recommendations from the Joint Legislative Council Special Committee on Children at Risk, was last modified in 1999 Wisconsin Act 123. Each year since fiscal year (FY) 1990-91, the program has provided \$3.5 million in general purpose revenue (GPR) to participating school districts. These funds represent a small percentage of total funding for at-risk services statewide.

This is our sixth evaluation of the Children At Risk program. Under s. 118.153(6), Wis. Stats., we are required to determine the extent to which funded programs meet statutory performance objectives that include specified attendance rates, graduation for high school seniors, and demonstrated gains in reading and mathematics. However, both the manner in which program funds are allocated by individual districts and inconsistencies in the reporting of performance data limit the conclusions that can be drawn regarding program success. Consequently, we reviewed:

- the number of school districts that have participated in the program, and the funding provided to each district;
- how districts have used funding provided through the program;
- student achievement of statutory performance criteria; and
- school district compliance with statutory requirements.

Key Facts and **Findings**

The Children At Risk program provides \$3.5 million to eligible school districts annually.

In the 2003-04 school year, 21 participating school districts identified 29,669 at-risk students.

School districts offer a variety of programs and services to at-risk students.

The Legislature may wish to consider whether the program should be maintained, modified, or eliminated.

At-Risk Program Funding

School districts provide a broad range of programs and services to meet the needs of at-risk students, including counseling, after-school programs, and placement in alternative high schools. School district staff note that the majority of at-risk programs and services are provided not only to students identified under s. 118.153, Wis. Stats., but also to those from kindergarten through high school who may need more extensive services for other reasons, such as limited English proficiency or evidence of alcohol or other drug use.

In FY 2003-04, the \$3.5 million provided through the Children At Risk program represented 1.2 percent of the \$290.7 million provided to school districts to serve at-risk students from kindergarten through high school, or to prevent children from becoming at-risk. The total included \$164.2 million in federal funds and \$126.5 million in GPR.

School District Participation

In the 2003-04 school year, 21 districts participated in the Children At Risk program. They identified 29,669 at-risk students. The number of students at risk of not graduating statewide is not known because only districts that receive program funding are required to report to DPI.

Districts receive funding based on the number of their at-risk students who achieve statutory performance objectives. Because of increasing numbers of students achieving these objectives, payments are prorated. For example, in the 2003-04 school year eligible school districts will receive 51.0 percent of the amount for which they qualified. Milwaukee Public Schools will receive \$1.9 million, or 54.3 percent of all funds the State has allocated for the Children At Risk program.

Statutes require each school district to specify the amount of Children At Risk funding dedicated to each of its programs for at-risk students and to provide a preference in allocating that funding to alternative schools, charter schools, schools within schools, and private agencies.

However, because Children At Risk program funding represents only a small portion of their at-risk expenditures, districts typically do not allocate it to specific programs for at-risk students. Instead, Children At Risk program funds are typically deposited into a district's general fund. Because of this practice, it is difficult to isolate the effects of the Children At Risk program.

Student Achievement

For a district to receive reimbursement from the Children At Risk program, an identified at-risk student must achieve at least three of five statutorily defined performance objectives:

- receiving a high school diploma;
- remaining in school;
- an attendance rate of at least 70 percent;

- earning at least 4.5 credits, or a prorated number of credits if the student was enrolled in a program for less than the entire school year; and
- demonstrating, on standardized tests or other appropriate measures, a gain in reading and mathematics commensurate with the duration of enrollment in an at-risk program.

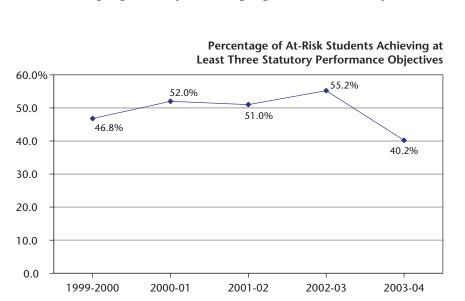
Among the 21 participating districts, 40.2 percent of students identified as at-risk achieved at least three statutory performance objectives in the 2003-04 school year. This is the lowest level in the five-year period from 1999-2000 through 2003-04. By district, the percentage of students achieving at least three objectives ranged from more than 80.0 percent in Janesville and Stevens Point to 25.0 percent or less in five other districts.

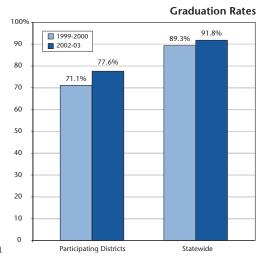
The best indicators of success for the Children At Risk program may be

comparative graduation and dropout rates for participating and nonparticipating, but otherwise similar, students. School districts do not track this type of information. However, we were able to analyze trends in 11 school districts that participated in the Children At Risk program in each school year from 1999-2000 through 2002-03.

Although the district-wide graduation rate in the 11 participating school districts remained lower than the statewide graduation rate, its increase was greater from 1999-2000 through 2002-03. Among the 11 participating districts, the graduation rate increased 6.5 percentage points, from 71.1 percent to 77.6 percent. Statewide, the increase was 2.5 percentage points.

It may not be reasonable to attribute changes in student performance solely to the Children At Risk program because of the availability of other funding for district at-risk programs. Additionally, because





districts receive reimbursement under the Children At Risk program in the year after expenses are incurred, districts decide which programs and services to offer without regard to the level of Children At Risk funding they may subsequently receive.

For Future Consideration

The Governor's FY 2005-07 biennial budget proposes a continued level of funding of \$3.5 million annually for the Children At Risk program. However, the Legislature could consider at least three options for Children At Risk program funding.

First, the program could be eliminated. The lack of attention to program requirements by school districts raises questions about the priority they assign to complying with program requirements. However, most district officials with whom we spoke indicated that because providing at-risk services is a priority, funding for other district programs would likely be reduced if Children At Risk program funding were reduced or eliminated.

Second, funding for the Children At Risk program could be merged with other program funding. For example, the Alternative Education Grant program serves a similar population and has similar program requirements. It is also administered by DPI and receives \$5.0 million annually in GPR funding. Merging these programs could increase both efficiency and accountability, because districts participating in the Alternative Education Grant program are required to report specific program expenditures to DPI, while those participating in Children At Risk do not.

Alternatively, Children At Risk program funding could be merged into general school aids. This option

could make additional funding available to all school districts. However, merging programs or redistributing funds would substantially reduce the amount of funds targeted to the 21 districts currently participating in the Children At Risk program.

Finally, maintaining the program as it is currently structured may help to ensure that services for at-risk students are not reduced in some districts. Although district staff indicated that Children At Risk funding is small compared to total district budgets, demands on available funding for district programs have placed an increased emphasis on maintaining all available funding sources.

The Legislative Audit Bureau is a nonpartisan legislative service agency that assists the Wisconsin Legislature in maintaining effective oversight of state operations. We audit the accounts and records of state agencies to ensure that financial transactions and management decisions are made effectively, efficiently, and in compliance with state law, and we review and evaluate the performance of state and local agencies and programs. The results of our audits, evaluations, and reviews are submitted to the Joint Legislative Audit Committee.

Additional Information

Report 05-4 includes a response from the Department of Public Instruction, call (608) 266-2818 or visit our Web site:



www.legis.state.wi.us/lab

Address questions regarding this report to:

Paul Stuiber (608) 266-2818

Legislative Audit Bureau

22 East Mifflin Street Suite 500 Madison, WI 53703 (608) 266-2818

Janice Mueller State Auditor